

BEFORE THE
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF:)
)
EL PASO GLOBAL NETWORKS COMPANY)
) No. 01 -0298
Application for a certificate of)
local and interexchange authority)
to operate as a reseller and)
facilities-based carrier of)
telecommunications services)
throughout the state of Illinois.)

Chicago, Illinois
July 13, 2001

Met pursuant to notice at 11:00 a.m.

BEFORE :

MS. DEBORAH KING, Administrative Law Judge .

1 APPEARANCES:

2 SWIDLER BERLIN SHEREFF FRIEDMAN, LLP, by
3 MR. DENNIS MASTANDO
4 3000 K Street NW, Suite 300
5 Washington, DC 20007
6 Appearing for the Applicant
7 (Telephonically);

8 MS. BARBARA LANKFORD and
9 MS. JUDITH MARSHALL
10 527 East Capitol Avenue
11 Springfield, Illinois 62794
12 Appearing for Staff
13 (Telephonically).
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21 SULLIVAN REPORTING COMPANY, by
22 Tracy L. Ross, CSR

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I N D E X

		Re -	Re -	By
Witnesses:	Direct	Cross	direct	cross
Mr. Sanna	6	10,14		Examiner

E X H I B I T S

Applicant's	For Identification	In Evidence
Nos. 1,2,5	4	
Nos. 1-5		9

1 (Whereupon, Applicant's
2 Exhibit Nos. 1,2,5 were
3 marked for identification
4 as of this date.)

5 JUDGE KING: Pursuant to the authority of the
6 Illinois Commerce Commission, I now call Docket
7 No. 01-0298, this is the application of El Paso
8 Global Networks Company, for a certificate of
9 local and interexchange authority.

10 May I have the appearances for the
11 record.

12 MR. MASTANDO: Certainly. Your Honor, this is
13 counsel for EPGN and my name is Dennis,
14 D-e-n-n-i-s, Anthony, A-n-t-h-o-n-y, Mastando,
15 M-a-s-t-a-n-d-o, and I'm from the law firm of
16 Swidler Berlin Sherefff Friedman, LLP, and I can
17 spell that out if necessary.

18 JUDGE KING: No. It's fine. No, we have
19 that.

20 MR. MASTANDO: Also, I would like to request
21 authority to represent EPGN today before the ICC
22 pro hac vice because I am not authorized to -- I

1 am not admitted into the Illinois bar. I am
2 admitted into the bar of the state of New York
3 and the District of Columbia.

4 JUDGE KING: Is there any objection?

5 MS. LANKFORD: No.

6 JUDGE KING: Hearing no objection, your
7 request is granted.

8 And, Staff, your appearances.

9 MS. LANKFORD: This is Barb Lankford, Consumer
10 Services Division, Illinois Commerce Commission,
11 527 East Capitol, Springfield, Illinois.

12 MS. MARSHALL: Judith Marshall,
13 Telecommunications Division, Illinois Commerce
14 Commission, 527 East Capitol Avenue, Springfield,
15 Illinois.

16 JUDGE KING: All right. We're here today for
17 the evidentiary hearing in this matter. We have
18 one witness who will be testifying here today.
19 Mr. Sanna, is that how you pronounce it?

20 THE WITNESS: That's correct.

21 (Witness sworn.)

22 JUDGE KING: Attorney Mastando, you can begin

1 with your direct case.

2 MR. MASTANDO: Thank you, your Honor. I'd
3 just like to state up front that EPGN wishes to
4 thank the Illinois Commerce Commission for
5 granting authority to its affiliate, EPN,
6 already.

7 JOSEPH SANNA,
8 called as a witness herein, having been first
9 duly sworn, was examined and testified as
10 follows:

11 EXAMINATION

12 BY

13 MR. MASTANDO:

14 Q. Mr. Sanna, can you please state your full
15 name, position and business address.

16 A. My name is Joseph Anthony Sanna, I go by
17 Tony Sanna. It's S like Sam, a-n-n-a.

18 My business address is 1001 Louisiana
19 Street, Houston, Texas 77002.

20 My title is manager carrier relations.
21 Basically, my responsibilities are -- the main
22 responsibilities I handle are dealing with the

1 incumbent LECs in each of the areas we go through
2 nationwide, an account management type of
3 arrangement. I also have done much of the
4 regulatory certification filings in each of the
5 states that we are participating in.

6 Q. Mr. Sanna, will you please describe,
7 briefly, your background qualifications?

8 A. My background is, I have 27 years in the
9 telecommunications industry. I previously --
10 before El Paso, I was with Midwestern Bell
11 Telephone Company. I was in St. Louis for most
12 of those years and then in Dallas for the last
13 three years prior to coming here on -- in
14 November.

15 Q. Mr. Sanna, are you familiar with the
16 application of El Paso Global Networks, LLC,
17 before the Illinois Commerce Commission?

18 A. Yes, I am.

19 Q. Are there any -- was that document
20 prepared by you or under your direction?

21 A. Yes, it was.

22 Q. Are there any points that you would like

1 to bring to the Commission's attention? Are the
2 statements contained in the application, the
3 supplemental filings, correct or do you have any
4 corrections to make at this time?

5 A. They are correct. One thing I would make
6 a correction, if any, the application as far as
7 where we have done business or where we are
8 pending approval. We do have, of course,
9 approval on EPGN in the state of Texas, Kentucky,
10 and Louisiana and we have pending approval in
11 California, Arizona and New Mexico.

12 MR. MASTANDO: All right. At this time, I
13 have no further questions for the witness.

14 JUDGE KING: All right. Are there any
15 exhibits that you would like to have admitted
16 into the record?

17 MR. MASTANDO: At this time, Hearing Examiner
18 King, no, there are no additional exhibits other
19 than the ones we've already marked 1 through 5.

20 JUDGE KING: Okay. Let me just indicate for
21 the record that we have marked as -- marked and
22 identified as Exhibit 1, the certificate of EPGN

1 to do business here in Illinois ; Exhibit 2, which
2 is a July 10, 2001, letter of guarantee; Exhibit
3 3, which is the chart of accounts for EPGN, which
4 we will have marked as proprietary and
5 confidential, that exhibit will be admitted as a
6 late-filed exhibit; Exhibit 4, was that the 10K
7 forms which also -- yes, will be admitted as late
8 filed; and Exhibit 5, the UTAC/ITAC forms which
9 we have and is there any objection to the
10 admission of these documents into the record?

11 MS. LANKFORD: No.

12 JUDGE KING: All right. Let the record
13 reflect that Applicant's Exhibits 1 through 5,
14 with Exhibit 3 being marked confidential and
15 Exhibits 3 and 4 being filed late are hereby
16 admitted into the record.

17 (Whereupon, Applicant's
18 Exhibit Nos. 1-5, were
19 admitted into evidence as
20 of this date.)

21 JUDGE KING: And you're tendering your witness
22 for cross-examination?

1 MR. MASTANDO: Yes, Hearing Examiner.

2 JUDGE KING: All right. We can begin with
3 cross.

4 MS. LANKFORD: Okay. This is Barb Lankford.
5 I'll go ahead and go first. I just have a few
6 clarifying questions here.

7 CROSS-EXAMINATION

8 BY

9 MS. LANKFORD:

10 Q. Do you plan to provide voice-grade
11 service?

12 A. Under the EPGN application, no, we do not.

13 Q. So it's just Internet, basically?

14 A. Basically, it's transport type of
15 services.

16 Q. Okay. And are you currently providi ng
17 service in Texas and Kentucky?

18 A. Yes, we are. In Texas, I'm not sure about
19 Kentucky. At this point, I don't believe we have
20 anything in Kentucky.

21 Q. Okay. And, No. 12 of the application,
22 could you just clarify the relationship between

1 El Paso Global Networks and the other companies
2 listed in question 12?

3 A. Okay. One moment. Let me get that. Is
4 it question 12 of the application?

5 Q. Yes.

6 A. Is that the one, Has Applicant provided
7 service under any other name?

8 Q. Yes.

9 A. Okay. We have not provided service in
10 Illinois under any other name. We have provided
11 service, of course, in Texas, not Kentucky, under
12 the name formerly known as Pantio Communications
13 (phonetic) which was also formerly known as
14 Waller Creek Communications (phonetic).

15 Q. Okay. So you are providing service in
16 Texas then, is that what you're stating?

17 A. That's correct.

18 Q. And you're also affiliated with El Paso
19 Networks, which is a limited liability company;
20 correct?

21 A. Yes. El Paso Networks, LLC actually
22 bought Pantio Communications, formerly known as

1 Waller Creek Communications. It was Waller Creek
2 Communications doing business as Pantio
3 Communications and it was bought by El Paso.

4 Q. Okay. All right. No. 17 in the
5 application, you state that you will provide a
6 detailed billing statement monthly. Will this
7 list all the services features, taxes, and
8 surcharges on the bill?

9 A. Yes, it will.

10 Q. And who would the consumer services
11 division of the Illinois Commerce Commission
12 contact for complaint resolution?

13 A. That contact would be Sam Bieson
14 (phonetic) who handles all of our regulatory
15 affairs.

16 Q. And I want to get a phone number and a fax
17 number of how he could be reached?

18 A. Okay. His phone number is (713) 420-1932.
19 The fax number is (713) 420-6400.

20 Q. Okay. And have you determined what
21 facility provider you intend to use?

22 A. At this point in time, no. As far as

1 facility provider, no.

2 Q. I didn't catch that. I'm sorry.

3 A. At this point in time, as far as facility
4 provider, no. We will be using our own
5 facilities or what we will do is lease facilities
6 from the incumbent LEC.

7 Q. Okay. But you haven't decided which LEC
8 you are using?

9 A. Well, basically up there it's Ameritech
10 which is SBC Communications.

11 Q. Okay. As you start to provide service in
12 Illinois and other states, do you plan to hire
13 more employees?

14 A. We have been hiring employees here in
15 El Paso and we will continue to do so.

16 Q. Okay. And in No. 15, you state that you
17 will solicit your customers by direct marketing
18 and wholesale methods. Could you clarify this
19 further, exactly how you will contact the
20 prospective customers?

21 A. We have a sales team who is in force and
22 we are actually building our sales force to -- of

1 course, we are going nationwide, so therefore we
2 are building our sales force as we go into the
3 different areas to handle that type of activity.

4 Our -- of course, our market target
5 customers are going to be the enterprise -type
6 customers and other carriers.

7 Q. Okay. Will this include any
8 telemarketing?

9 A. No, it will not.

10 MS. LANKFORD: Okay. I believe that's all
11 the questions I have thank you.

12 THE WITNESS: You're welcome.

13 CROSS -EXAMINATION

14 BY

15 MS. MARSHALL:

16 Q. This is Judith Marshall. I also have a
17 few questions for you today. Referring first to
18 the application. Question No. 3, distance
19 regarding waivers. You've marked, first of all,
20 that you'd like a waiver of Part 735.

21 And for your local exchange company, are
22 you requesting that be waived or only for your

1 interexchange?

2 A. I guess -- could you please repeat that
3 question. I'm not sure what you are inferring
4 there as far as the company I was trying to make
5 that waiver for.

6 Q. No. The types of service, your
7 interexchange service versus your local exchange
8 service. And I was asking if you were wanting
9 Part 735 waived for local exchange service?

10 MR. MASTANDO: Ms. Marshall, this is
11 Mr. Mastando, the counsel for EPGN, and what the
12 company seeks, if you'll note in Appendix A, is a
13 waiver of Part 735 as it relates to the
14 interexchange services. So our understanding, at
15 this point, is that the Commission routinely
16 waives 735 for interexchange carriers, but it
17 does not do so for local exchange companies.

18 BY MS. MARSHALL:

19 Q. Thank you for that clarification.
20 Mr. Sanna, the application also is marked Other.
21 And could you just state for the record what
22 Other administrative code parts you are

1 requesting a waive of?

2 THE WITNESS: Again, would counsel answer
3 that?

4 MR. MASTANDO: Certainly. The parts that we'd
5 like waived appear in Appendix A and they are
6 listed there. Those are the specific ones.
7 There are numerous provisions there and at this
8 point, we're not seeking to veer from our
9 application. If there's a particular question
10 you have about that, we'd be glad to address.

11 BY MS. MARSHALL.

12 Q. Yes, there is. I just wanted to start
13 broad and then narrow down. Is it correct that
14 you are seeking a waiver of the Administrative
15 Code Part 725 and 720 that relate to the
16 provision of 911 service?

17 A. This is Tony Sanna.

18 The answer -- that would be, yes at this
19 point in time, because we do not plan on
20 providing any dial tone type of services,
21 voice-grade services to the end users. So
22 therefore, the 911 would not be applicable.

1 Q. For purposes of this application, could
2 you agree to seek the waivers related to 911
3 service in a separate petition, so that those
4 areas can be addressed by a 911 specialist rather
5 than having them waived in this certificate?

6 MR. MASTANDO: This is Mr. Mastando. I think
7 that the Applicant can agree to do that. I think
8 what the Applicant intends to request from the
9 Commission, at this point, are those waivers
10 listed in Appendix A and to the extent that it
11 provides services that are implicated by the 911
12 rule, it intends to follow those rules. Is that
13 your understanding, Mr. Sanna?

14 THE WITNESS: That is correct.

15 MS. MARSHALL: Okay. But the same waiver, the
16 Appendix A also requests waives of Part 720 and,
17 I believe, 725. And what I'm asking you to do
18 is, to the extent that those parts don't apply to
19 your services they just simply don't -- I'm
20 asking you to defer your request for waiver on
21 those two parts separate proceeding that would be
22 evaluated by 911 personnel.

1 MR. MASTANDO: Mr. Sanna, would you like to
2 address that?

3 THE WITNESS: If that would be necessary, of
4 course, El Paso, you know, will do that. Again,
5 I think the reasoning behind that is, as you
6 stated, our business is not targeted in that area
7 and the wholesale type of arrangement that we're
8 looking at, we did not deem that necessary, so --
9 but if the -- if the Staff and the Commission
10 requests that, I guess El Paso will comply.

11 BY MS. MARSHALL:

12 Q. Thank you. Now, I'm moving along to Page
13 3 of your application question -- specifically
14 question 13 where you're requesting authority to
15 maintain your books and records outside of
16 Illinois. And the business address where those
17 records will be located, is that the same as the
18 address shown on the application in Houston,
19 Texas?

20 A. Yes, it is.

21 Q. And will you agree to notify the Chief
22 Clerk of the Illinois Commerce Commission if the

1 location of those records should change?

2 A. Yes, we will.

3 Q. And are you also aware that the Applicant
4 would be required to probably -- cover the out of
5 state costs of any Commission Staff who may wish
6 to inspect or audit those records?

7 A. Yes, we do.

8 Q. Okay. Now, regarding question 16 on that
9 page. It says there, EPGN will provide
10 information regarding ownership or other interest
11 and entities providing telecommunications service
12 under separate cover. Have you provided that
13 information?

14 MR. MASTANDO: This is Mr. Mastando. EPN
15 provided that information to the Commission on
16 April 20th and the officers implicated -- the EPN
17 officers are the same as the EPGN officers,
18 El Paso Global Networks, LLC, has the same people
19 that would be implicated as El Paso Global
20 Networks does. So in that sense, we have
21 provided to the Commission and what we provided
22 at that point, essentially said that there are --

1 holdings -- in publically held as widely traded
2 companies that are listed often various
3 exchanges. So unless Mr. Sanna has any
4 additional information, that's what information
5 that EPGN offers the Commission.

6 THE WITNESS: That is correct.

7 BY MS. MARSHALL:

8 Q. Thank you. Now, on page 5 of the
9 application, you address the issue of providing
10 service to areas of small rural incumbent
11 carriers. Are you aware that in the future, if
12 you should desire to provide service in those
13 areas, you would need to request permission from
14 the Illinois Commerce Commission prior to seeking
15 that interconnection?

16 A. Yes. Should we decide to go into those,
17 then we will, at that point in time, comply.

18 MS. MARSHALL: That's all the questions that
19 I have, thank you.

20 JUDGE KING: Is there any redirect?

21 MR. MASTANDO: Hearing Examiner, this is
22 Counsel Mastando. No. At this time, there's no

1 redirect.

2 JUDGE KING: All right. If there is nothing
3 further by Staff, then I will have this matter
4 brought to a close. I will ask that the record
5 be marked heard and taken. I thank everyone for
6 their participation.

7 I'll ask that you send me those Exhibits
8 3 and 4. I can give you my address so you can
9 just mail it and just -- you can seal Exhibit 3,
10 you know, seal it and then I'll have it marked --
11 I'll keep it in the seal and mark it proprietary.
12 You should just send it directly to me, Deborah
13 King, K-i-n-g, at 160 North LaSalle, Suite C, as
14 in cat, 800, Chicago, Illinois 60602.

15 MR. MASTANDO: 60602?

16 JUDGE KING: Oh, I'm sorry. 60601. I never
17 remember the zip code here. And if you just send
18 it to me, then I'll have it included in the
19 record and that should take care of everything
20 today.

21 MR. MASTANDO: On behalf of EPGN, I'd like to
22 thank the Hearing Examiner and Staff for doing

1 that and EPGN looks forward to offering its
2 service to the citizens and residents and
3 businesses of the state of Illinois.

4 JUDGE KING: Thank you.

5 MS. LANKFORD: Thank you.

6 THE WITNESS: I'd like to reiterate that
7 saying.

8 HEARD AND TAKEN.

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1 CERTIFICATE OF REPORTER

2 STATE OF ILLINOIS)
3)
4 COUNTY OF COOK)
5)
6 CASE NO. 01-0298)

7 TITLE: EL PASO GLOBAL NETWORKS COMPANY

8 I, Tracy L. Ross do hereby certify that I am a
9 court reporter contracted by SULLIVAN REPORTING
10 COMPANY, of Chicago, Illinois; that I reported in
11 shorthand the evidence taken and the proceedings
12 had in the hearing on the above-entitled case on
13 the 13th day of July A.D. 2001; that the
14 foregoing 22 pages are a true and correct
15 transcript of my shorthand notes so taken as
16 aforesaid, and contains all the proceedings
17 directed by the Commission or other person
18 authorized by it to conduct the said hearing to
19 be stenographically reported.

20 Dated at Chicago, Illinois , this 23rd
21 day of July A.D. 2001.

22 TRACY L. ROSS